

2007-2008 PERFORMANCE PLAN – General Counsel (P. Mixon)

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
20%	2008 HMO Contracts	By January 15, 2008, obtain full execution of 2008 HMO contracts.	From Schedule	Completed.
20%	Ethics Training	By April 1, 2008, provide the Board and all CalPERS staff with training, through a variety of media (including new employee orientation, computer-based training and live workshops) regarding CalPERS' Ethical Culture. Maintain records to ensure 100% compliance with mandatory training requirements. Achieve ratings of "good" or better on 90% of evaluations.	From Schedule	Completed.
20%	CalPERS Enterprise-wide Projects	<ul style="list-style-type: none"> • Enterprise Transition Management: By June 30, 2008, develop and begin implementation of a Transition Management Plan that identifies enterprise and Division-specific risks and issues and a strategy for transitioning the organization to the new business environment. • Customer Service: By June 30, 2008, meet with the audit liaison for each division (9 Liaisons) and review the Audit Liaison Guide to promote openness, communication, and accountability. • Client (aka Internal Customer) Service: By June 30, 2008, conduct survey of Legal Office and Legal Office clients to assess effectiveness, quality and timeliness of Legal Office services and achieve at least 5% improvement over 2007 baseline in favorable response rate by clients. • Emerging Legal Developments: Provide the Board and CEO with reports, analysis and recommendations on emerging and active legal developments, including potential and ongoing litigation, related to public pension plans and shareowner rights. • Information Security: Provide ongoing legal advice and policy direction as a member of the Information Security Task Force. 	From Schedule	<p>On schedule. Update on progress presented at the April 22, 2008, workshop.</p> <p>On schedule. The Audit Liaison Guide which outlines roles and responsibilities was developed, printed, and distributed to the Audit Liaisons on April, 14, 2008.</p> <p>On schedule.</p> <p>On-going.</p> <p>On-going. Update presented at the April 22, 2008, BPAC meeting.</p>

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
15%	Pension System Resumption (PSR) Project	<p>Continue as Executive advisor for this project to ensure that the following objectives are completed. Specific objectives of the project for fiscal year 2007-08 include:</p> <ul style="list-style-type: none"> By October 30, 2007, obtain approval of the initial "To Be" Process Model and General System Requirement Specifications. By December 31, 2007, complete and implement Phase 1 of the Technical Architecture. By March 31, 2008, complete General System Design Phase and commence application development. By June 30, 2008, complete and implement Phase 2 of the Technical Architecture. 	From Schedule	<p>Completed.</p> <p>Completed.</p> <p>In process.</p> <p>On schedule.</p>
15%	Special Projects	<p>Perform special projects identified by the Board and CEO during the year, including providing strategic advice for managing the risk of emerging and complex issues. Level of performance will be judged by the Board. These projects include:</p> <ul style="list-style-type: none"> Develop an Annual Fiduciary Workshop, which includes but is not limited to a discussion of shareowner rights, including transparency and other corporate governance issues, and labor management issues. 	From Schedule	On-going.
10%	Enterprise Compliance Risk Assessment and Management Plan	<ul style="list-style-type: none"> By March 31, 2008, implement risk management plan and measurement tool that provides continued monitoring and assessment of enterprise risk. By June 30, 2008, provide a mid-year risk assessment report to the Finance Committee. 	From Schedule	Completed. Measures towards implementing a risk management plan include developing a standardized questionnaire for the Board of Administration and Executive Staff input to identify enterprise risk. Additionally, the list of auditable entities was expanded to include new strategic objectives, programs and business processes.

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
	Enterprise Compliance Risk Assessment and Management Plan (cont.)			<p>The enterprise risk "heat map" was also updated to include these new auditable entities. Audit resources were allocated to emerging enterprise risk to assess risks, increase awareness and make recommendations for risk management. The results of the risk assessment process will be presented to the Finance Committee at the June meeting. An Audit Plan will also serve as a risk management plan to address the highest risk to the organization.</p> <p>A mid-year assessment of audit activities related to risk assessment and management of issues emerging after development of the Board approved Audit Plan was reported to the Finance Committee at the February 2008 meeting.</p>
100%	Total	Qualitative Measures		

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INCENTIVE PLAN CHANGE TEMPLATE

Name Peter Mixon

Position General Counsel

Modification of Performance Measure

Recommend the Performance Measure(s) listed below be modified as indicated:

Description in Current Incentive Plan:

Weight	Factor	Performance Measure	Incentive Schedule
15%	Pension System Resumption (PSR) Project	<p>Continue as Executive advisor for this project to ensure that the following objectives are completed. Specific objectives of the project for fiscal year 2007-08 include:</p> <ul style="list-style-type: none">By October 30, 2007, obtain approval of the initial "To Be" Process Model and General System Requirement Specifications.By December 31, 2007, complete and implement Phase 1 of the Technical Architecture.By March 31, 2008, complete General System Design Phase and commence application development.By June 30, 2008, complete and implement Phase 2 of the Technical Architecture.	From Schedule

Proposed description (changes shown in **bold**):

Weight	Factor	Performance Measure	Incentive Schedule
15%	Pension System Resumption (PSR) Project	<p>Continue as Executive advisor for this project to ensure that the following objectives are completed. Specific objectives of the project for fiscal year 2007-08 include:</p> <ul style="list-style-type: none">By October 30, 2007, obtain approval of the initial "To Be" Process Model and General System Requirement Specifications.By December 31, 2007, complete and implement Phase 1 of the Technical Architecture.By May 31, 2008, complete General System Design Phase and commence application development.By June 30, 2008, complete and implement Phase 2 of the Technical Architecture.	From Schedule

Reason for proposed change:

On December 20, 2008, Accenture submitted five formal escalation issues, which were resolved on January 31, 2008. To address all issues as a single negotiated resolution, CalPERS and Accenture agreed to the following: The Project Schedule will be extended nine (9) weeks. As part of this extension the Final System Implementation date will be extended nine (9) weeks and the schedule dates for all interim deliverables and milestones will be adjusted appropriately. The PSR implementation date will be adjusted from September 30, 2009, to November 30, 2009. The nine (9) week extension changes the General Design Phase end date from March 31, 2008 to May 31, 2008.